

- D. That any inquiries or communication relating to questions concerning clarifications of the data requested below be directed to the undersigned.
- E. That any exhibits be reduced to an 8 1/2" x 11" format.
- F. That, in addition to the signature and verification at the close of each response, the individual responsible for the information contained in each answer be also identified.
- G. That each Request for Production be reproduced at the beginning of the response thereto.
- H. That three (3) copies of the responses to these Requests for Production be provided to the undersigned as soon as possible.
- I. If the response to any Request for Production is that the information requested is not currently available, state when the information requested will become available.
- J. These Requests for Production shall be deemed continuing so as to require you to supplement or amend your responses as any additional information becomes available up to and through the date of the hearing.
- K. If a privilege not to answer is claimed, identify each matter as to which the privilege is claimed, the nature of the privilege, and the legal and factual basis for each such claim.
- L. If a refusal to answer a Request for Production is stated on the grounds that same would be unduly burdensome, identify the number and nature of documents needed to be searched, the location of the documents, and the number of man hours and costs required to conduct the search.
- M. Answer each Request for Production on the basis of your entire knowledge, including information in the possession of DIUC, its officers, directors, members, employees, consultants, representatives, attorneys, subsidiaries, and subcontractors.
- N. If any Request for Production cannot be answered in full, answer to the extent possible and specify reasons for inability to answer.

DEFINITIONS

1. AS USED HEREIN, "APPLICANT" SHALL MEAN DAUFUSKIE ISLAND UTILITY COMPANY, INC. ("DIUC"), WITH ITS EMPLOYEES, AGENTS, CONSULTANTS, EXPERTS, PARENTS, SUBSIDIARIES, AFFILIATES, AND PARTNER COMPANIES AND OTHER OPERATIONAL OR FUNCTIONAL UNITS AND ALL OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND REPRESENTATIVES OF THESE ENTITIES. IT ALSO INCLUDES ALL OTHER PERSONS ACTING ON BEHALF OF APPLICANT.
2. AS USED HEREIN, HAIG POINT CLUB AND COMMUNITY ASSOCIATION, INC. SHALL MEAN HPCCA, WITH ITS EMPLOYEES, AGENTS, CONSULTANTS, EXPERTS, PARENTS, SUBSIDIARIES, AFFILIATES, AND PARTNER COMPANIES AND OTHER OPERATIONAL OR FUNCTIONAL UNITS AND ALL OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND REPRESENTATIVES OF THESE ENTITIES. IT ALSO INCLUDES ALL OTHER PERSONS ACTING ON BEHALF OF HPCCA.
3. AS USED HEREIN, MELROSE PROPERTY OWNER'S ASSOCIATION, INC. SHALL MEAN MPOA, WITH ITS EMPLOYEES, AGENTS, CONSULTANTS, EXPERTS, PARENTS, SUBSIDIARIES, AFFILIATES, AND PARTNER COMPANIES AND OTHER OPERATIONAL OR FUNCTIONAL UNITS AND ALL OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND REPRESENTATIVES OF THESE ENTITIES. IT ALSO INCLUDES ALL OTHER PERSONS ACTING ON BEHALF OF MPOA.
4. AS USED HEREIN, BLOODY POINT PROPERTY OWNER'S ASSOCIATION, INC. SHALL MEAN BPPOA, WITH ITS EMPLOYEES, AGENTS, CONSULTANTS, EXPERTS, PARENTS, SUBSIDIARIES, AFFILIATES, AND PARTNER COMPANIES

AND OTHER OPERATIONAL OR FUNCTIONAL UNITS AND ALL OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND REPRESENTATIVES OF THESE ENTITIES. IT ALSO INCLUDES ALL OTHER PERSONS ACTING ON BEHALF OF BPPOA.

5. PLEASE CONSTRUE "AND" AS WELL AS "OR" EITHER DISJUNCTIVELY OR CONJUNCTIVELY AS NECESSARY TO BRING WITHIN THE SCOPE OF THESE REQUESTS FOR PRODUCTION ANY INFORMATION WHICH MIGHT OTHERWISE BE CONSTRUED OUTSIDE THEIR SCOPE.
6. "DOCUMENT" SHALL MEAN ANY WRITTEN, PRINTED, TYPED, RECORDED, PHOTOGRAPHIC OR OTHER GRAPHIC MATTER OF ANY KIND OR NATURE, AND ALL MECHANICAL AND ELECTRICAL SOUND RECORDINGS AND ANY TRANSCRIPTS THEREOF, AND COMPUTER DATA FILES IN YOUR POSSESSION, CUSTODY, AND/OR CONTROL, OR KNOWN BY YOU TO EXIST; IT SHALL ALSO MEAN ALL COPIES OF DOCUMENTS BY WHATEVER MEANS MADE.
7. "IDENTIFY" OR "IDENTITY" USED WITH REFERENCE TO AN INDIVIDUAL MEANS TO STATE HIS OR HER FULL NAME, PRESENT OR LAST KNOWN ADDRESS, PRESENT OR LAST KNOWN POSITION AND BUSINESS AFFILIATION, AND EMPLOYER, TITLE, AND POSITION AT THE TIME IN QUESTION. IF THE PERSON WAS AN OFFICER, DIRECTOR, TRUSTEE, COMMISSIONER, OR EMPLOYEE OF DIUC, ALSO STATE THE JOB TITLE AND AREAS OF RESPONSIBILITY.
8. "IDENTIFY" OR "IDENTITY" USED WITH REFERENCE TO A WRITING MEANS TO STATE THE DATE, AUTHOR, TYPE OF DOCUMENT (E.G. LETTER, MEMORANDUM, TELEGRAM, CHART, NOTE APPLICATION, ETC.) OR OTHER MEANS OF IDENTIFICATION, AND ITS PRESENT LOCATION OR CUSTODIAN.

IF ANY SUCH DOCUMENT IS NO LONGER IN DIUC'S POSSESSION OR SUBJECT TO THEIR CONTROL, STATE WHAT DISPOSITION WAS MADE OF IT.

9. "YOU" AND "YOURS" INCLUDE DAUFUSKIE ISLAND UTILITY COMPANY, INC., AS DEFINED HEREIN, AND ANY OF ITS MEMBERS, INDIVIDUALLY, WHO HAVE KNOWLEDGE OR CONTROL OF INFORMATION REQUESTED IN THE REQUEST FOR PRODUCTION.
10. "COMPANY" SHALL MEAN DAUFUSKIE ISLAND UTILITY COMPANY, INC.

REQUESTS FOR PRODUCTION

1. For the years 2008 through present, provide all corporate documents and other documentation evidencing and/or related to the transfers of interests in CK Materials, LLC from Jamie and/or Jadwiga Karabinchak to subsequent owners.
2. Provide file-stamped copies of the Articles of Merger through which Haig Point/Melrose Waste Water Treatment Company, Inc. was merged into DIUC, including evidence that such Articles of Merger were filed with the South Carolina Secretary of State and bearing evidence of the date of that filing.
3. Refer to ORS DR-9. Provide all documents that support the original cost of the Haig Point land for water operations of ~~\$159,384~~ (Schedule W-B.2).
4. Provide all documents that support the organizational costs of ~~\$20,593~~ for Melrose (Schedule W-B.2). Provide the final order if this amount has been previously approved by the SCPSC.
5. Refer to ORS DR-9. Provide all documents that support the original cost of the Haig Point land for wastewater operations of ~~\$309,117~~ (Schedule S-B.2).

6. Provide all documents that support the organizational costs of \$20,593 for Melrose (Schedule S-B.2). Provide the final order if this amount has been previously approved by the SCPSC.
7. Provide an excel spreadsheet that lists by rate class each of the Haig Point water customers during the test year. For each customer, indicate whether the customer is also a wastewater customer. Indicate each customer's rate class.
8. Provide an excel spreadsheet that lists by rate class each of the Melrose water customers during the test year. For each customer, indicate whether the customer is also a wastewater customer. Indicate each customer's rate class.
9. Provide copies of all of the most recent property tax bills for utility property that the Company is including in its rate base.
10. Refer to ORS DR-12. Provide an executed copy of the Sales Agreement for the new billing system.
11. With respect to the proposed new financing reflected in the application and in Mr. Guastella's direct testimony of \$3.5 million, please provide the following:
 - a. A statement from CoBank (or other lender, if appropriate), substantiating that the lender is willing to provide a loan of \$3.5 million, a statement as to the applicable interest rate (the application and Guastella's testimony reflect the rate of 6.5% per annum), and a statement from the lender as to whether this is the net effective interest rate that would be charged on the loan, or whether this is the quoted rate,

subject to adjustments such as for patronage capital distributions, to arrive at an effective rate.

- b. **Provide a statement from CoBank (or other lender, if appropriate) indicating the lender's position on the repayment of the approximately \$1.3 million loan from Coastal States Bank to CK Materials, as a condition precedent to making a loan to DIUC? Such statement should also provide the rationale for why the lender is unwilling to make the loan, until such repayment to Coastal States Bank by CK Materials, is satisfied.**
- c. **Provide a statement from CoBank (or other lender, if appropriate) indicating the lender's position as to the amount of rate relief that DIUC must obtain in order for it to provide the loan of \$3.5 million, and if the lender has provided alternate amounts rate relief to support either lower or higher loan amounts, provide that information, also.**
- d. **Provide a detailed listing of the uses that DIUC intends to make of the \$3.5 million loan from CoBank or other lender?**



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Attorneys for Haig Point Club and Community
Association, Inc., Melrose Property Owner's
Association, Inc., and Bloody Point Property
Owner's Association

Columbia, South Carolina
April 27, 2012

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2011-229-W/S

RE:)
)
Application of Daufuskie Island Utility)
Company, Inc. for Approval for Water) **CERTIFICATE OF SERVICE**
and Sewer Rates, Terms and)
Conditions)

This is to certify that I have caused to be served this day the **Second Requests for Production** of Haig Point Club and Community Association, Inc. (“HPCCA”), Melrose Property Owner’s Association, Inc. (“MPOA”), and Bloody Point Property Owner’s Association (“BPPOA”) via electronic mail service as follows:

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s/ John F. Beach
John F. Beach

April 27, 2012
Columbia, South Carolina